



## **GEORGIA STATE SENATE**

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# **THE SENATE STUDY COMMITTEE ON HEARING AIDS FOR CHILDREN – SUMMARY OF MEETINGS**

## **COMMITTEE MEMBERS**

**Senator Renee Unterman - Chair**  
**District 45**

**Senator Gloria Butler**  
**District 55**

**Senator Dean Burke**  
**District 11**

**Senator Lester Jackson**  
**District 2**

**Prepared by the Senate Research Office**  
**2016**

## COMMITTEE FOCUS, CREATION, AND DUTIES

The Senate Study Committee on Hearing Aids for Children was created by Senate Resolution 1091 to study health insurance coverage options that best address the provision of hearing aids for children.

Senator Charlie Bethel of the 54<sup>th</sup> initially served as Committee Chair until his appointment to the Georgia Court of Appeals. On November 14, 2016, Senator Renee Unterman of the 45<sup>th</sup> was appointed as Committee Chair. The other Senate members included: Senator Gloria Butler of the 55<sup>th</sup>; Senator Dean Burke of the 11<sup>th</sup>; and Senator Lester Jackson of the 2<sup>nd</sup>.

The Committee held one meeting at the State Capitol on October 5, 2016, and heard testimony from the following: Mr. Alexander Azarian, Deputy Director of the Senate Research Office; Mr. Comer Yates, Chair of the Georgia Commission on Hearing Impaired & Deaf Persons; Ms. Kelly Jenkins, Parent Advocate; Mr. Jack McConnell, Teen Advocate for hearing impaired children; Ms. Kate Marr, Au.D., President-Elect of the Georgia Academy of Audiology; Sara Kogon, Parent Advocate; and Mr. Graham Thompson, Executive Director for the Georgia Association of Health Plans (GAHP).

## COMMITTEE FINDINGS

### Background

For several years, Georgia law has strongly recommended that newborns be screened for hearing impairment.<sup>1</sup> Hearing loss is among the most prevalent birth defects in America affecting approximately 3 in every 1000 newborns.<sup>2</sup> Children must hear at least 11 million words a year in order to learn normally.<sup>3</sup> Without access to clear sound, these children fall behind drastically in terms of literacy, language development, and academics. With hearing aids, children can reach their fullest potential. They are able to do anything a hearing child can do with the right amplification and early intervention. But for many children diagnosed with a hearing impairment, help is out of reach because hearing aids are not routinely covered through their health insurance policy. Hearing aids can cost up to \$6,000 per pair and are frequently replaced every 3 to 5 years. This is an estimated expense of over \$40,000 by the time a child reaches age 21.<sup>4</sup>

### Mandated Health Benefits for Hearing Aids throughout the Nation

Although Georgia does not require health insurers to provide any sort of coverage for hearing aids for children, 20 states currently mandate private health insurers to provide coverage for hearing aids.<sup>5</sup> Only Connecticut, New Hampshire, and Rhode Island require coverage for both adults and children.<sup>6</sup> All other states mandating coverage have a maximum age limit. In an effort to control costs, all states include some form of coverage limitation based on at least one of three factors:

1. The age of the beneficiary;
2. The frequency at which insurers must provide hearing aids to beneficiaries; or
3. The dollar cost the insurer must cover.<sup>7</sup>

### Arkansas

Technically not a mandate since it only requires health benefit plans to offer coverage to employers in the state. If the employer chooses to add this option, the health plan must provide hearing aid coverage of no less than \$1,400 per ear every three years for individuals of all ages.

### Colorado

Plans are required to cover hearing aids for children under 18 years of age. There is no dollar limit, but coverage is limited to one initial hearing aid per ear every five years, a replacement hearing aid when alterations to the existing hearing aid

<sup>1</sup> O.C.G.A. § 31-1-3

<sup>2</sup> Testimony provided by Mr. Jack McConnell, Teen Advocate for hearing impaired children; October 5, 2016.

<sup>3</sup> Testimony provided by Mr. Comer Yates, Chair of the Georgia Commission on Hearing Impaired & Deaf Persons; October 5, 2016.

<sup>4</sup> <http://www.letgeorgiahear.org/facts/>

<sup>5</sup> Arkansas' statute is not technically a mandate since it only requires health benefit plans to offer coverage to employers and the employer has the choice to reject or accept the coverage. However, since most sources almost universally identify it as a mandate, it is included in this analysis.

<sup>6</sup> As a result of the Connecticut Insurance Department's interpretation of the Affordable Care Act's prohibition on discriminatory benefit design based on age, the Department requires insurance policies to remove age limits on hearing aid benefits for policies issued or renewed after January 1, 2016. Please see the Commissioner's Bulletin for more information: <http://www.ct.gov/cid/lib/cid/HC-102.pdf>

<sup>7</sup> These summaries and citations appear in chart form in the appendix of this report.

cannot meet the needs of the child, and services and supplies such as the initial assessment, fitting, adjustments, and auditory training.

#### Connecticut

Connecticut requires plans to cover hearing aids for all individuals regardless of age, classifies hearing aids as durable medical equipment, and allows policies to limit the benefit to \$1,000 every 24 months.

#### Delaware

Delaware requires plans to provide coverage for hearing aids of up to \$1,000 per ear, every 3 years, for children under 24 years of age who are covered as a dependent by the policy holder.

#### Kentucky

Plans are required to cover the full cost of one hearing aid per ear up to \$1,400 every 36 months for individuals under 18 years of age, and all related services necessary to assess, select, and fit the hearing aid. The insured may choose a higher price hearing aid and pay the difference in cost.

#### Louisiana

Louisiana requires plans to cover hearing aids for a child under the age of 18. The insurer may limit the benefit to \$1,400 per hearing aid for each hearing-impaired ear every 36 months. The insured may purchase a hearing aid priced higher than the benefit payable and pay the difference to the hearing aid provider.

#### Maine

Plans are required to cover hearing aids for children up to and including age 18. Coverage may be limited to \$1,400 per hearing aid every 36 months. This mandate was phased in over 3 years as follows:

1. From birth to 5 years of age – January 1, 2008;
2. From 6 to 13 – January 1, 2009; and
3. From 14 to 18 – January 1, 2010.

#### Maryland

Maryland requires plans to cover hearing aids for children 18 and under. This coverage may be limited to \$1,400 per hearing aid for each hearing-impaired ear every 36 months. The insured may choose a more expensive hearing aid and pay the difference. Insurance plans that provide hearing aid coverage for adults, must allow adults to choose a hearing aid beyond the dollar limit and pay the difference.

#### Massachusetts

Massachusetts requires plans to provide coverage for the full cost of one hearing aid per hearing-impaired ear up to \$2,000 for each hearing aid, every 36 months for minors 21 years of age or younger. The insured may choose a higher priced hearing aid and may pay the difference in cost above the \$2,000 limit without any financial or contractual penalty to the insured or to the provider of the hearing aid.

#### Minnesota

Plans are required to cover hearing aids for children 18 years of age or younger for hearing loss that is not correctable by other covered procedures. There is no dollar limit, but coverage is limited to one hearing aid per ear every three years.

#### Missouri

Missouri requires plans to cover infant hearing screening, re-screening, audiological assessment and follow-up, and initial amplification, including an initial hearing aid for newborns with no dollar limit.

#### New Hampshire

New Hampshire requires plans to cover the cost of at least \$1,500 per hearing aid every 60 months. Coverage also includes related services necessary to assess, select, and fit the hearing aid. There is no age limit and the insured may choose a higher priced hearing aid and pay the difference in cost.

#### New Jersey

New Jersey requires plans to cover medically necessary expenses incurred in the purchase of a hearing aid for children 15 years of age or younger. Coverage includes the \$1,000 per hearing aid for each hearing-impaired ear every 24 months. The



insured may choose a more expensive hearing aid and pay the difference between the price of the hearing aid and the benefit.

#### New Mexico

Plans are required to cover \$2,200 per hearing aid every three years for children under 18 years of age, or under 21 years of age if still attending high school. The insured may choose a higher priced hearing aid and may pay the difference in cost. Coverage includes fitting and dispensing services, including providing ear molds as necessary to maintain optimal fit.

#### North Carolina

Plans are required to cover one hearing aid per hearing-impaired ear up to \$2,500 per hearing aid every 36 months for covered individuals 21 and under. Coverage must include:

1. Initial hearing aids and replacement hearing aids not more frequently than every 36 months;
2. A new hearing aid when alterations to the existing hearing aid cannot adequately meet the needs of the covered individual; and
3. Services, including the initial hearing aid evaluation, fitting, and adjustments, and supplies, including ear molds.

#### Oklahoma

Plans are required to cover audiological services and hearing aids for children up to 18 years of age without a dollar limit. Plans may limit the hearing aid benefit payable for each hearing-impaired ear to every 48 months. In addition, coverage may provide for up to four additional ear molds per year for children up to 2 years of age.

#### Oregon

Plans are required to cover one hearing aid per hearing impaired ear for enrollees under 18 years of age, or 18 to 25 if eligible as a dependent and enrolled in an accredited educational institution. The maximum benefit amount is \$4,000 every 48 months. An enrollee may purchase a hearing aid priced higher than the benefit amount and pay the difference in cost. The benefit amount is adjusted on January 1 of each year to reflect the increase in the CPI.

#### Rhode Island

Plans are required to provide coverage for \$1,500 per individual hearing aid, every 3 years, for children under the age of 19, and \$700 per individual hearing aid for anyone 19 or older. Every plan must also offer an optional rider for additional hearing aid coverage.

#### Tennessee

Tennessee requires plans to provide coverage of \$1,000 per individual hearing aid per ear, every 3 years, for every child under 18 years of age. An insured may purchase a hearing aid priced higher than the benefit amount and pay the difference in cost.

#### Wisconsin

Plans are required to provide coverage for cochlear implants, hearing aids and related treatment for any child under the age of 18. There is no dollar limit, but coverage is limited to one hearing aid per ear every 3 years.

#### **Hearing Impaired Children in Georgia**

Although no recent studies have been conducted to measure the actual cost to insurers and employers of mandating hearing aid coverage, the State Health Benefit Plan (SHBP) does provide such coverage and may serve as a guide to illustrate these costs.<sup>8</sup> The following statistics relating to the hearing impaired child population in Georgia as well as the SHBP incurred costs for providing hearing aid and cochlear implant coverage were respectively provided by the Department of Public Health (DPH) and the Department of Community Health (DCH).

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<sup>8</sup> Let Georgia Hear does estimate a monthly premium increase of 38 cents for every insured individual. Please see the following link for more information: <http://www.letgeorgiahear.org/facts/>



DPH provided the Committee the following figures on the number of children born with unilateral or bilateral hearing loss:

**Number of Children with Hearing Loss by Birth Year (Bilateral and Unilateral):**

2008: 317<sup>9</sup>  
 2009: 348  
 2010: 398  
 2011: 384  
 2012: 323  
 2013: 277  
 2014: 274  
 2015: 242  
 2016: 113 (Incomplete Data)  
**Total: 2676**

**Bilateral vs. Unilateral hearing loss numbers 2008 to 2016:**

Bilateral: 1,839 Birth to 8 years old (69%)  
 Unilateral: 837 Birth to 8 years old (31%)

DPH reported that these figures are similar to national data; that is, that bilateral hearing loss is more common than unilateral hearing loss.

**SHBP Costs for Hearing Aid and Cochlear Implants Coverage**

According to DCH:

- The SHBP has been covering hearing aids for adults and children since plan year 2009 with a \$1,500 hearing aid benefit allowance every five years for children and adults.
- In 2015, the hearing aid benefit allowance was increased for children, birth through age 18, from \$1,500 every five years to \$3,000 every five years. The hearing aid benefit allowance for adults remained at \$1,500 every five years.
- Effective January 1, 2017, the hearing aid benefit allowance for children, birth through age 18, will increase to \$6,000 every five years, while the hearing aid benefit allowance for adults will remain at \$1,500 every five years.

**Georgia State Health Benefit Plan**  
*Hearing Aids Ages 0-18 - Summary*

| Time Period: Incurred With Runoff Fiscal Year   |               |       |                     |                |                  |                    |                |                   |
|---|---------------|-------|---------------------|----------------|------------------|--------------------|----------------|-------------------|
| Time Period                                     | # of Patients | Units | Avg Units / Patient | Allowed Amount | Avg Allow / Unit | Net Pay (incl HRA) | Avg Pay / Unit | Avg Pay / Patient |
| FY 2016   | 60            | 81    | 1.4                 | \$127,046.88   | \$1,568.48       | \$115,891.40       | \$1,430.76     | \$1,931.52        |
| FY 2017 EST                                     | 75            |       |                     |                |                  | \$169,375.66       |                | \$2,271.68        |
| Time Period: Incurred With Runoff Calendar Year |               |       |                     |                |                  |                    |                |                   |
| Time Period                                     | # of Patients | Units | Avg Units / Patient | Allowed Amount | Avg Allow / Unit | Net Pay (incl HRA) | Avg Pay / Unit | Avg Pay / Patient |
| CY 2012   | 27            | 49    | 1.8                 | \$48,471.45    | \$989.21         | \$44,718.07        | \$912.61       | \$1,656.22        |
| CY 2013   | 19            | 35    | 1.8                 | \$24,104.46    | \$688.70         | \$22,385.63        | \$639.59       | \$1,178.19        |
| CY 2014   | 45            | 65    | 1.4                 | \$54,713.27    | \$841.74         | \$54,713.27        | \$841.74       | \$1,215.85        |
| CY 2015   | 73            | 102   | 1.4                 | \$150,035.29   | \$1,470.93       | \$145,254.73       | \$1,424.07     | \$1,989.79        |
| CYTD 2016                                       | 31            | 47    | 1.5                 | \$73,407.26    | \$1,561.86       | \$52,724.60        | \$1,121.80     | \$1,700.79        |
| CY 2016 EST                                     | 74            |       |                     |                |                  | \$154,431.92       |                | \$2,080.68        |
| CY 2017 EST                                     | 74            |       |                     |                |                  | \$164,188.93       |                | \$2,205.52        |

<sup>9</sup> According to DPH, the 2008 figure may be slightly under reported since the current reporting process was not operational until 2009.

**Georgia State Health Benefit Plan**  
*Hearing Aids Ages 19 & Older - Summary*

| Time Period: Incurred With Runoff Fiscal Year   |               |       |                     |                |                  |                    |                |                   |
|---|---------------|-------|---------------------|----------------|------------------|--------------------|----------------|-------------------|
| Time Period                                     | # of Patients | Units | Avg Units / Patient | Allowed Amount | Avg Allow / Unit | Net Pay (incl HRA) | Avg Pay / Unit | Avg Pay / Patient |
| FY 2016   | 1,328         | 2,132 | 1.6                 | \$2,982,894.42 | \$1,399.11       | \$1,574,169.09     | \$738.35       | \$1,185.37        |
| FY 2017   | 1,463         |       |                     |                |                  | \$1,843,850.44     |                | \$1,260.41        |
| Time Period: Incurred With Runoff Calendar Year |               |       |                     |                |                  |                    |                |                   |
| Time Period                                     | # of Patients | Units | Avg Units / Patient | Allowed Amount | Avg Allow / Unit | Net Pay (incl HRA) | Avg Pay / Unit | Avg Pay / Patient |
| CY 2012   | 521           | 755   | 1.4                 | \$759,324.05   | \$1,005.73       | \$759,679.12       | \$1,006.20     | \$1,458.12        |
| CY 2013   | 519           | 775   | 1.5                 | \$749,999.99   | \$967.74         | \$717,384.66       | \$925.66       | \$1,382.24        |
| CY 2014   | 1,038         | 1,615 | 1.6                 | \$1,458,235.11 | \$902.93         | \$1,418,374.26     | \$878.25       | \$1,366.45        |
| CY 2015   | 1,404         | 2,118 | 1.5                 | \$1,872,859.25 | \$884.26         | \$1,681,136.52     | \$793.74       | \$1,197.39        |
| CYTD 2016                                       | 691           | 1,164 | 1.7                 | \$1,547,006.58 | \$1,329.04       | \$821,058.45       | \$705.38       | \$1,188.22        |
| CY 2016 EST                                     | 1,456         |       |                     |                |                  | \$1,888,783.63     |                | \$1,296.92        |
| CY 2017 EST                                     | 1,461         |       |                     |                |                  | \$1,859,329.13     |                | \$1,272.88        |

**Notes:**

- Report is based on claims with a procedure code for Hearing Aids.
- Claims for Fiscal Year 2016 are incurred from July 2015 - June 2016, paid through August 2016.
- Claims for Calendar Year to date 2016 are incurred from January 2016 - August 2016, paid through August 2016.
- Report excludes members enrolled in Medicare Advantage plans.

**Proposed Draft Legislation**

Draft legislation (LC 37 1828) was submitted to the Committee for review. This legislation:

- Requires insurance coverage for one hearing aid per hearing impaired ear for children 18 and younger and the policy must cover the replacement for one hearing aid per ear every 48 months;
- Caps coverage at \$3,000 per hearing aid per ear (\$6,000 total);
- Exempts insurers that can actuarially demonstrate that the coverage resulted in a cost increase of at least 1 percent the previous year and would lead to an average premium increase of more than 1 percent for all policies commencing on inception or the next renewal date; and
- Exempts health plans offered through the health insurance exchange and policies offered by employers with 10 or fewer employees.

Although the Committee did not take a formal position on the legislation, a copy of the legislation as well as a more comprehensive analysis appear in this report's appendix.

Respectfully Submitted,

**THE SENATE STUDY COMMITTEE ON  
HEARING AIDS FOR CHILDREN**



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**Senator Renee Unterman – Chair  
District 45**